GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2488
ANSWERED ON:16.12.2008
FDI IN DTH COMPANIES
Chakraborty Shri Ajay

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether prior approval from the Foreign Investment Promotion Board is required for FD in Direct to Home (DTH) Service Companies;

(b) if so, the details thereof;

(c) whether the Government has received reports about violation of FDI guidelines by such companies;

(d) if so, the details thereof; and

(e) the details of action initiated/taken by the Government against the companies which have infringed such guidelines?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): As per the extant policy, foreign investment including Foreign Direct Investment(FDI) / Non-Resident Investment (NRI) / investment by Foreign Institutional Investors (FII) is permitted up to 49% in Direct to Home (DTH) broadcasting service, with prior Government approval. The FDI component in the foreign investment is allowed only up to 20%.

(c) to (e): Extant policy stipulates that FDI in DTH broadcasting is permitted with prior Government approval only. The Government had taken action against M/s Bharti Telemedia Ltd. for not seeking approval of the Government for indirect foreign investment in its Company. M/s Bharti Telemedia Ltd. was directed to seek approval within 3 months and the Company has since submitted its application for such an approval.